

**NORTHSHORE FAMILIES
HELPING FAMILIES, INC.**

FINANCIAL STATEMENTS

June 30, 2012 and 2011

NORTHSHORE FAMILIES HELPING FAMILIES, INC.



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Northshore Families Helping Families, Inc.
Covington, Louisiana

We have audited the accompanying statements of financial position of Northshore Families Helping Families, Inc. (a nonprofit organization) as of June 30, 2012 and 2011, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northshore Families Helping Families, Inc. as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2012, on our consideration of Northshore Families Helping Families, Inc.'s control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audits.

October 11, 2012

Wegmann Dazet & Company

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
STATEMENTS OF FINANCIAL POSITION

June 30, 2012 and 2011

ASSETS

	2012	2011
Current assets		
Cash and cash equivalents	\$ 308,457	\$ 205,788
Accounts receivable	<u>20,220</u>	<u>33,689</u>
Total current assets	328,677	239,477
Property and equipment, at cost less accumulated depreciation	2,004	3,108
Other noncurrent assets	<u>1,700</u>	<u>1,700</u>
Total assets	<u><u>\$ 332,381</u></u>	<u><u>\$ 244,285</u></u>

LIABILITIES

Current liabilities		
Accrued expenses	\$ 14,341	\$ 13,512
Total current liabilities	<u>14,341</u>	<u>13,512</u>

NET ASSETS

Unrestricted	<u>318,040</u>	<u>230,773</u>
Total net assets	<u>318,040</u>	<u>230,773</u>
Total liabilities and net assets	<u><u>\$ 332,381</u></u>	<u><u>\$ 244,285</u></u>

See accompanying Notes to Financial Statements.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.

STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2012 and 2011

	2012	2011
Unrestricted revenues		
Contract revenue	\$ 20,590	\$ 31,188
Contributions	141,271	89,159
Direct public grants	236,693	271,355
Interest income	354	355
Other support	<u>25,215</u>	<u>16,422</u>
Total unrestricted revenues	<u>424,123</u>	<u>408,479</u>
Expenses		
Program services		
Louisiana Department of Education	97,753	73,572
Florida Parishes Human Services Authority	57,675	65,710
Children's Special Health Services	37,967	27,671
LA Dev. Disabilities Council FHF Center	41,390	62,533
Louisiana Development Disabilities Council	3,845	3,623
Other program services	65,576	30,583
Supporting services		
Management and general	7,470	23,608
Fund raising expenses	<u>25,180</u>	<u>13,470</u>
Total expenses	<u>336,856</u>	<u>300,770</u>
Increase in unrestricted net assets	87,267	107,709
Net assets at beginning of year	<u>230,773</u>	<u>123,064</u>
Net assets at end of year	<u>\$ 318,040</u>	<u>\$ 230,773</u>

See accompanying Notes to Financial Statements.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Change in net assets	\$ 87,267	\$ 107,709
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,104	1,066
(Increase) decrease in operating assets:		
Accounts receivable	13,469	(18,822)
Increase (decrease) in operating liabilities:		
Accrued expenses	829	10,974
Net cash provided by operating activities	<u>102,669</u>	<u>100,927</u>
Cash flows from investing activities:		
Purchase of property and equipment	-	(1,018)
Net cash used by investing activities	<u>-</u>	<u>(1,018)</u>
Net increase in cash	102,669	99,909
Cash and cash equivalents at beginning of year	<u>205,788</u>	<u>105,879</u>
Cash and cash equivalents at end of year	<u>\$ 308,457</u>	<u>\$ 205,788</u>

See accompanying Notes to Financial Statements.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2012

	Program Services						Supporting Services	
	Louisiana Department of Education	Florida Parishes Human Services Authority	Children's Special Health Services	LA Development Disabilities Council FHF Center	Louisiana Development Disabilities Council	Other Program Services	Program Services	Total
Administrative costs	\$ 740	\$ 878	\$ -	\$ 1,313	\$ -	\$ 9,700	\$ 12,631	\$ 13,889
Advertising	525	801	-	748	-	2,160	4,234	4,285
Awards	-	-	-	-	-	8,101	8,101	8,101
Bank service charges	-	-	-	-	-	806	806	1,346
Contract labor	-	-	-	895	-	205	1,100	1,100
Depreciation	-	-	-	-	-	-	-	1,104
Donations	-	-	-	-	-	-	-	25
Dues and subscriptions	-	10	-	-	-	-	10	1,059
Equipment rental	826	1,030	-	826	-	-	2,682	2,779
Insurance	2,202	2,774	223	2,102	-	-	7,301	6,659
Licenses and permits	-	-	-	-	-	30	30	37
Postage	22	453	-	172	-	-	647	737
Printing	-	-	-	-	-	219	219	219
Professional services	516	4,752	516	516	-	-	6,300	6,300
Rent	4,400	5,600	-	4,400	-	-	14,400	14,400
Repairs and maintenance	221	284	-	700	-	35	1,240	1,240
Salaries and taxes	68,170	36,455	33,776	24,799	-	35,398	198,598	198,598
Seminars and education	14,188	1,545	655	693	-	7,897	24,978	27,018
Stipend	-	-	-	-	3,845	-	3,845	3,845
Supplies	923	-	-	-	-	-	923	1,422
Telephone	1,815	1,815	2,797	1,815	-	-	8,242	8,973
Travel	2,184	157	-	408	-	1,025	3,774	4,309
Utilities	1,021	1,121	-	2,003	-	-	4,145	4,231
Total	\$ 97,753	\$ 57,675	\$ 37,967	\$ 41,390	\$ 3,845	\$ 65,576	\$ 304,206	\$ 311,676

See accompanying Notes to Financial Statements.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2011

	Program Services							Supporting Services	
	Louisiana Department of Education	Florida Parishes Human Services Authority	Children's Special Health Services	LA Development Disabilities Council FHF Center	Louisiana Development Disabilities Council	Other Program Services	Total Program Services	Management and General	Total
Administrative costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,622	\$ -	\$ 4,622
Advertising	901	332	-	287	-	406	1,926	74	2,000
Awards	-	-	-	-	-	9,669	9,669	-	9,669
Bank service charges	-	-	-	-	-	328	328	-	328
Contract labor	497	14,234	165	497	-	-	15,393	444	15,837
Depreciation	-	-	-	-	-	-	-	1,066	1,066
Dues and subscriptions	148	222	-	348	-	-	718	1,416	2,134
Equipment rental	712	712	-	953	-	-	2,377	-	2,377
Insurance	1,749	1,749	982	1,749	-	-	6,229	-	6,229
Licenses and permits	-	-	-	50	-	50	100	27	127
Postage	187	463	-	89	-	50	789	63	852
Printing	-	-	-	-	-	733	733	-	733
Professional services	1,542	1,508	1,508	1,642	-	-	6,200	800	7,000
Rent	3,900	4,900	700	4,900	-	-	14,400	-	14,400
Repairs and maintenance	183	255	-	329	-	-	767	-	767
Salaries and taxes	48,371	26,081	21,707	46,146	-	11,717	154,022	15,287	169,309
Seminars and education	8,798	11,091	148	1,205	498	1,393	23,133	2,462	25,595
Stipend	-	-	-	-	3,125	-	3,125	-	3,125
Supplies	1,151	1,234	-	1,286	-	1,615	5,286	1,969	7,255
Telephone	1,596	1,596	2,461	1,666	-	-	7,319	-	7,319
Travel	2,709	20	-	-	-	-	2,729	-	2,729
Utilities	1,128	1,313	-	1,386	-	-	3,827	-	3,827
Total	\$ 73,572	\$ 65,710	\$ 27,671	\$ 62,533	\$ 3,623	\$ 30,583	\$ 263,692	\$ 23,608	\$ 287,300

See accompanying Notes to Financial Statements.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2012 and 2011

1) The Organization

Northshore Families Helping Families, Inc. (the Organization) is a not-for-profit organization established in 1992. The mission of the Organization is to provide the individualized services, information, resources and support needed to positively enhance the independence, productivity and inclusion of individuals with disabilities. The primary sources of revenue are from contributions, grants and contracts for services provided.

2) Summary of significant accounting policies

The following are summaries of significant accounting policies of the Organization:

a) Financial statement presentation

Financial Accounting Standards Board Accounting Standards Codification 958, *Financial Statements for Not-for-Profit Entities*, requires the net assets and changes in net assets be reported for three classifications – permanently restricted, temporarily restricted and unrestricted based on the existence or absence of donor imposed restrictions.

b) Cash and cash equivalents

For purposes of the statements of cash flows the Organization considers all highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents.

c) Accounts receivable

The Organization's receivables at June 30, 2012 and 2011 consist of amounts owed from state and local private and public agencies for grants and fees for service programs. The Organization considers all amounts to be fully collectible. Therefore, an allowance for uncollectible accounts is not provided in these financial statements.

d) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

e) Income taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code.

Financial Accounting Standards Board Accounting Standards Codification 740, *Accounting for Uncertainty in Income Taxes*, requires management to assess uncertain tax positions. Management of the Organization believes there are no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax positions. With few exceptions, the Organization is no longer subject to United States federal or Louisiana state income tax examinations by tax authorities for the years ending before 2008.

f) Functional expenses allocation

Functional expenses are allocated among the various program services and general and administrative categories based on actual use or management's best estimate.

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2012 and 2011

2) Summary of significant accounting policies (continued)

g) Property and equipment

Property and equipment are carried at cost. Depreciation of property is provided over the estimated useful lives of the assets using the straight-line method. Repairs and maintenance are expensed as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the assets carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations. Depreciation is provided on the straight-line method over the following useful lives.

	<u>Estimated Lives</u>
Equipment	4 - 7 years

h) Restricted and unrestricted revenue and support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The Organization reports gifts of cash and other assets as restricted support if they are received with donor imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to unrestricted net assets. Funds received with the stipulation that the funds be returned if specified future events fail to occur are accounted for as refundable advances until the conditions have been substantially met.

i) Contributed services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization. The Organization received approximately 400 and 1,800 volunteer hours for the years ending June 30, 2012 and 2011, respectively.

3) Concentration of credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits. The Company at times has cash on deposit at financial institutions that is in excess of federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC). The Company has not experienced any losses in such accounts. The Company has no policy requiring collateral or other security to support its deposits.

4) Property and equipment

Property and equipment consists of the following:

	<u>2012</u>	<u>2011</u>
Equipment	\$ 14,974	\$ 14,974
	14,974	14,974
Accumulated depreciation	(12,970)	(11,866)
	<u>\$ 2,004</u>	<u>\$ 3,108</u>

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2012 and 2011

5) Program grants

A substantial portion of the Organization's support and revenue is derived from grants for programs conducted. The various grants are approved on a year-to-year basis. Any unexpected grant funds or unauthorized expenditures must be refunded. The Organization received approximately 56% and 67% of its revenue from grants for the years ended June 30, 2012 and 2011, respectively.

6) Subsequent events

Management has evaluated subsequent events through October 11, 2012, the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.



REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Northshore Families Helping Families, Inc.
New Orleans, Louisiana

We have audited the financial statements of Northshore Families Helping Families, Inc. (a nonprofit organization), as of and for the year ended June 30, 2012, and have issued our report thereon October 11, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered Northshore Families Helping Families, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Northshore Families Helping Families, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether Northshore Families Helping Families, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could

have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, Board of Directors, others within the entity, the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under LA Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

October 11, 2012

Wegman Dist + Company

NORTHSHORE FAMILIES HELPING FAMILIES, INC.
SCHEDULE OF FINDINGS

For the Years Ended June 30, 2012 and 2011

Section I Summary of Auditors' Report

A) Financial Statements

Type of auditors' report issued: Unqualified

Internal Control over financial reporting:

- | | | | | |
|--|-------|-----|-------|----|
| • Deficiency in internal control identified | _____ | Yes | __x__ | No |
| • Material weakness(es) identified | _____ | Yes | __x__ | No |
| Noncompliance material to financial statements noted | _____ | Yes | __x__ | No |

B) Federal Awards

For the year ended June 30, 2012, Northshore Families Helping Families, Inc. was not subject to OMB Circular A-133 Audits of States, Local Government and Non-Profit Organizations.

Section II Financial Statement Findings

None noted.

Section III Federal Award Findings and Questioned Costs

Not applicable.